

NORFOLK, VIRGINIA

REGULAR MEETING OF COUNCIL

TUESDAY, OCTOBER 2, 2012

President Fraim called the meeting to order at 2:00 p.m. with the following members present, Mr. Burfoot, Mr. Riddick, Mr. Smigiel, Dr. Whibley, Ms. Williams and Mr. Winn. Mr. Protogyrou was absent.

He thereupon called for the first item of business.

COUNCIL INTERESTS

1. Councilman Riddick asked: a) to schedule time for discussion of the city's infrastructure, i.e. undergrounding of utilities, crosswalks and traffic lights, noting the traffic fatality in the 1200 Block of Norview Avenue where there were no visible crosswalks. He also noted the same throughout the city where there are faded crosswalk markings or none at all in high traffic intersections; and b) would like to start a regional effort to make this area a destination for education, i.e. William and Mary, Christopher Newport College, Virginia Wesleyan College, EVMC, NSU, ODU, Hampton University, etcetera.

Mayor Fraim concurred with Councilman Riddick regarding the undergrounding of utilities, noting that it is an important issue and they should have a discussion.

2. Councilman Winn: a) asked that they prepare a resolution this month to HRT to extend the light rail to the Naval Base and looking ahead to ODU and b) would like to look at the real estate tax refunds for the last three to four years.
3. Councilwoman Whibley stated in an effort to try to generate some energy into downtown that she would like to see some proposed changes in the ordinance to look at differing parking on weekends and also allowing food trucks in the downtown district, noting that she has been working with the administration and would be happy to forward the email to Council for feedback on proposed ordinance changes.
4. Vice Mayor Burfoot a) agreeing with Councilman Riddick about undergrounding the city's utilities, he expressed concern with damaged utility poles being piecemealed back together rather than replaced and b) expressed concern with

student safety outside of the campus following sporting events, stating that there is a larger conversation that needs to be had from a city standpoint and that they need to take a real hard look at safety issues with various agencies.

5. Councilwoman Williams a) expressed concern with pockets of insufficient lighting in neighborhoods, noting that due to the nature of the activity in certain neighborhoods the standard lighting is not sufficient, i.e. in Huntersville on A, B, and C Avenues and would like to look at improving lighting on a case-by-case basis; b) would like to look at installing speed bumps in certain neighborhoods where the traffic study does not call for them, asking if they could develop a way to gain a consensus from a neighborhood for speed bumps; and c) would like to see better lighting around city bus stops.
6. Councilman Smigiel: a) reiterated concerns with trash around HRT bus stops, stating that they need to get serious about addressing this concern with HRT; and, b) commented that of the 519 bird strikes recorded at the airport since 1990, less than one-half percent have involved eagles. He stated the FAA has approved grants for avian radar which Norfolk's airport qualifies for, that seven U.S. airports use it, four of which have had no bird strikes since installation, and that he hopes our airport will consider looking into the radar. He also noted the Botanical Garden board asked for a delay to conduct research but feels like they have little say in the matter.
7. Councilman Riddick asked if they could look into the possibility of parking on Church Street and A Avenue during appropriate hours and also address shared parking with NRHA property and the doctor's office (Dr. Fayton).
8. Look at the assessment methodology for personal property in other jurisdictions in Hampton Roads for comparison with Norfolk's methodology.

SHARED SERVICES

City Manager Jones reported that the Hampton Roads Partnership in consultation with the management partners pulled together three localities, Virginia Beach, Chesapeake and Norfolk, to look at opportunities for shared services. A survey of 113 different services was done and they were able to narrow it down to 13 recommendations. There are some recommendations that localities are attempting to do in-house using their own staff. In terms of what the localities are doing, there are three projects where we are using our staff to more or less vet and that's whether or not we can have a savings through consolidation of sign shops, elevator inspections and having a permitting process with a uniform core. Between the three, the savings potential was less than a million dollars. We will be getting back to the bigger group in November with some updates.

The managing partners are taking on two bigger issues: To purchase sharing in Human Services contract and the savings there is between \$2.7 million and \$5 million. There are a number of saving strategies that will be taken into account in the 2014 budget around healthcare. We also have a partnership with Norfolk Public Schools addressing replacing school buses and with NRHA in terms of property acquisitions, demolitions, and grass cutting and they are part of the healthcare consortium with Norfolk Public Schools.

BPOL TAX RELIEF OPTIONS

City Manager Jones reported that the BPOL Tax showed an increase in 2012. A substantial audit took place, as well as an ordinance that Council passed recently that required taxes to be paid before the BPOL License was provided. The city has a \$799 million budget and out of that BPOL makes up about 3.5 percent, which is a little over \$28 million. The analysis provided information for discussion on BPOL tax relief. The analysis used data from the Commissioner of Revenue for calendar years 2006 - 2010, which are collections from FY2007-2011. A comparison of the Fiscal impact of BPOL tax relief options includes a two-year BPOL tax exemption of new businesses similar to Virginia Beach and Chesapeake. Other alternatives include:

- A one year reduced tax fee for certain new businesses - similar to Alexandria
- An exemption of certain gross receipts from BPOL taxation – similar to Henrico County
- A uniform BPOL tax rate - similar to Henrico County
- A graduated BPOL tax rate for certain business, which is a new option

Certain business classes are exempt from BPOL Tax by State law include: manufacturers, newspapers, radio or television broadcasting stations, banks, insurance companies, and charitable nonprofit organizations. The basis of the BPOL tax is the gross receipts of the business, which the maximum tax rate allowed is set by State law. The BPOL tax rates by business classification include: Contractors, retailers, repair, personal and business services, financial, real estate and professional services. The State maximum tax rate is per \$100 gross receipts, which Norfolk's tax rate is the same per \$100 gross receipts. Most of the major cities in the region have set their BPOL tax rates at the state maximum allowed, i.e. Norfolk, Chesapeake, Hampton, Newport News, Portsmouth, Suffolk, and Virginia Beach.

The BPOL License fee is generally the same for most of the major cities in the region since the gross receipts threshold is \$100,000 or less, i.e. Norfolk, Chesapeake, Hampton, Portsmouth, and Suffolk, which the State maximum allowed is \$50. The

exceptions are Newport News at \$30 and Virginia Beach at \$40 since their gross receipts threshold is \$50,000 or less.

The following options for BPOL tax relief were discussed:

- A two-year BPOL tax exemption of new businesses – similar to Virginia Beach and Chesapeake
- A one year reduced tax fee for new businesses with gross receipts under \$2 million – similar to Alexandria
- Exemption of \$100,000 of gross receipts from BPOL taxation – similar to Henrico County
- Uniform BPOL tax rate – similar to Henrico County
- Graduated BPOL tax for businesses with gross receipts of \$100,001 - \$300,000 – new option

Council asked the manager to examine assessment methodology for personal property in other jurisdictions in Hampton Roads for comparison with Norfolk's methodology.

CHICK-FIL-A SPECIAL EXCEPTION

Frank Duke, Director of Planning, reported:

- In response to feed back, the design for the business was changed to a more urban look, the building was relocated up to Monticello Avenue with parking behind it and the drive thru cannot be accessed from Monticello.
- Planning Commission recommends approval of the project by a 5-2 vote.

HIBACHI KING

Frank Duke, Director of Planning reported as follows:

- Request for a special exception to sell alcohol.
- Located on East Little Creek Road.
- Planning Commission recommended approval by 6-1 vote.

PROTECTION FROM FLOODING: COMMUNITY RATING SYSTEM

Frank Duke, Director of Planning, reported as follows:

- The federal government is asking localities to improve community rating systems to increase the rating which reduces claims in federal flood insurance.
- Increasing the rating requires actions such as:
 1. Flood studies
 2. Seawall Certification
 3. Wetlands Restoration
 4. Flood map improvements
 5. Increase number of certified flood plain managers
 6. Improve documentation of properties in flood areas
 7. Create a warning and response system
 8. Develop flood plan management committee
 9. Develop coastal zone A regulations
 10. Eliminate ability to waive open space standards

Council directed the administration to pursue Ordinance changes to raise the rating.